State of Rhode Island and Providence Plantations
BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING NOTICE

May 17, 2016

1:30 PM

1511 Pontiac Avenue, Cranston, RI 02920 Conference Room 68-1

OPEN MEETING AGENDA

(1) Call to Order

- (2) Meeting Minutes (Review/Discuss/Take Action)
- 1. Acceptance of the March 15, 2016 Open Session Meeting Minutes
- 2. Acceptance of the March 15, 2016 Executive Session Meeting Minutes
- (3) National Association of State Boards of Accountancy (NASBA) matters (Review/Discuss/Take Action) Information was sent from NASBA and forwarded to all Board members prior to the meeting to include the following:
- a. NASBA Annual Opt In / Opt Out form for State Boards -

Candidate Lists

- b. NASBA Questions regarding the continuing professional education (CPE) requirement for non-residents. The Board will respond that it is in the process of refining this section of the Regulations and will keep NASBA updated.
- c. NASBA 2016 Meetings Eastern Regional Meeting June 7 9, 2016 in Asheville, NC and 109th Annual Meeting October 30, November 2, 2016 in Austin, TX
- (4) American Institute of Certified Public Accountants (AICPA) and Rhode Island Society of Certified Public Accountants (RISCPA) matters (Review/Discuss/Take Action)
- a. Comments from Robert Mancini, Executive Director, (RISCPA) (1) Status of Internship Opportunity with Roger Williams University (RWU). The finalization of a Job Description was sent to RWU to review to ensure that it will meet the academic expectations set by the Accounting Department. The internship opportunity that the Board submitted was approved by the faculty and posted to RWU's job/internship posting system for student application. The Board received two (2) requests/resumes. Attorney Algee with meet with the DBR Director and Executive Counsel to discuss the next steps. Chair Bernard met with the DBR Director, Executive Counsel and Associate Director. It was discussed that the Board oversee the intern and that the intern be off-site. This matter is continued.
- (5) Public Company Accounting Oversight Board (PCAOB) -

(Review/Discuss/Take Action)

a. Kahn, Litwin, Renza & Co., Ltd, #C28

(6) Consideration of approval of the following initial application(s) for certification – (Review/Discuss/Take Action)

Brenden Michael Agrela Paul Brisson

Nicole Berger Lindsey Michelle Pinkerton

(7) Consideration of approval of the following initial without examination application(s) for certification – (Review/Discuss/Take Action)

Kelly M. Murphy

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- (8) Consideration of approval of the following reciprocity application(s) for certification (Review/Discuss/Take Action) Edleen J. Rojas
- (9) Consideration of approval of the following reinstatement application(s) for certification (Review/Discuss/Take Action)
 Robert Kenneth Barber (1472)
- (10) Old Business: (Review/Discuss/Take Action)

- a. Development of Board's Newsletter Member Tracy is continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter in an effort to get information out. Mr. Tracy's next communication call with NASBA is on September 17, 2015. Mr. Tracy is no longer a member of this Board. With that being said, the Board tabled this matter to reach out to Kevin Tracy to ask if he would be willing to Chair a "Communications Committee" that the Board would establish. Chair Bernard reached out to Mr. Tracy with no response. The Board discussed having meetings at other locations. Vice-Chair Platt will make contact with members of the NASBA Communication Committee in June to discuss this. This matter is tabled.
- b. Renewal Applications Attestations The Board will begin a "Pilot" Continuing Professional Education (CPE) and Peer Review Audit process and will audit 3% plus those CPAs and Practice Units that were not in compliance in the past renewal period and requested an extension for completion. Prior to implementation, an audit process will be developed for Board approval prior to conducting the audit. Secretary Fountain will work with Mrs. Broadfield to develop the Auditing Reporting forms. The Board will review the Rhode Island General Laws and Rules and Regulations to determine what recourse there is if a licensee fails the audit. This matter is on hold.
- c. Public Accountants (PA) Eliminating the status Treasurer Tashjian discussed the history of the PA status. 1976 was the last time that there was a PA status issued by this Board. Treasurer Tashjian suggested that the remaining 12 PAs be grandfathered and

issued a Certified Public Accountant (CPA) status. The Massachusetts statute was obtained which is the "Conversion of Public Accountant License to Certified Public Accountant License." Discussion occurred and a question arose as to how it would affect reciprocity in other states. Information was sent to Attorney Algee for review. The Board agreed to move forward the legislation to convert the PAs to the CPAs. Attorney Algee drafted the legislation and the DBR submitted in it their legislative package to the Governor's Office. Secretary Fountain found an error in the "Talking Points" that will be corrected. Attorney Algee indicated that the legislation is still pending at the Governor's office and has not been introduced. This is continued. Legislation was introduced.

- d. Rules and Regulations -
- (1) Regulation 6: Peer Review Standards Section 3. Peer Review Oversight Committee Peer Review Oversight Committee currently consist of three (3) members, none of whom shall be current members of the Board. The Board requested that Attorney Algee draft language that the Peer Review Oversight Committee be current members of the Board.
- (2) Regulation 5: Continuing Professional Education Section 1.B.1 The Board requested that Attorney Algee amend the Regulation to remove the second sentence "The three (3) year CPE term for new licensees shall commence on January 1 of the year following the year in which the licensee received his or her certificate."
- (3) Regulation 5: Continuing Professional Education Section 1.B.11
- The Board will be reviewing this section of the Regulations for

- refining. Attorney Algee drafted language for refining for non-residents.
- (4) NASBA Mutual Recognition Agreements (MRA) The Board will work on adding regulatory language to limit foreign applicants for reciprocity to jurisdictions where there is a MRA.
- e. 2016 Legislation
- f. Ralph M. Greico (7006MA) Requesting confirmation that he does not need to be an active CPA in RI since he is registered in Massachusetts. He is a partner in a Massachusetts firm as well as a RI firm. The Board responded that based on the ownership interest in a Rhode Island firm, he is required to hold a Rhode Island license. Mr. Greico responded that he is not a partner in a CPA firm in MA and RI. He is a partner in a bookkeeping, accounting and tax firm in MA and RI. The Board will send a response asking if Mr. Greico is providing compiled, reviewed or auditing financial statements. This matter is continued.
- g. Alaa Ismail Appeal of Application Denial Hearing, 1:30 p.m.05/17/16, Page 2 of 4

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- (11) New Business: (Review/Discuss/Take Action)
- a. Peter F. Novak Notification that he will practicing in the State under substantial equivalency.
- b. Faham Asghar International Undergraduate and pursuing Masters

Degree in Accounting for US accredited school in the Fall. Would he qualify for the 150 credit hour requirement?

- c. Cheryl Moretti -
- d. CPA Review Courses Set established guidelines to answer questions received.
- (12) Next Meeting Date: (Review Discuss/Take Action)
- a. The next Board meeting is scheduled for Tuesday, June 21, 2016, 1:30 p.m.

(13) Executive Session

The Board will also discuss the following matters in closed session pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct.

PENDING MATTERS:

• One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) audit report and financial statements for a company that disclosed deficiencies. Secretary Fountain moved to act upon the November 10, 2015 letter received from the U.S. Department of Labor ("DOL) to schedule a disciplinary hearing for the CPA to appear before the Board to address issues at the February 16, 2016 Board Meeting.. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was

not at the meeting. Based on Attorney Algee's recommendation, the Board will follow the procedure for Notice and Response outlined in Regulation 7. A copy of the complaint will be sent to the licensee by certified mail for a response within twenty (20) days before the Board can proceed to a disciplinary hearing. As outlined in NASBA's February 2016 Enforcement Newsletter, the Board will utilize the new Consent process to expedite the Board's enforcement process and to save limited Board resources from being used on duplicate tasks already performed by the DOL during its investigation. The Board will sent the licensee the DOL Consent Form for the licensee's signature and to be returned to the Board. The Board will send a letter to the licensee requesting that the licensee provide the withdrawal letter from DOL as requested in the last paragraph of the licensee's attorney's letter addressed to the DOL with sixty (60) days. • One (1) matter of lawsuit against an ex-accounting firm on

- One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement Secretary Fountain moved to have the Board's Legal Counsel review the pleadings of the case, reply back to the Board and continue. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. This matter was continued.
- Alaa Ismail Appeal of Application Denial Hearing, 1:30 p.m. –
 Deliberations

NEW BUSINESS:

- One (1) matter pertaining to a licensed Practice Unit entering into a Stipulation and Order The Stipulation contains a public reprimand based on the Firm's entry into the January 2014 U.S. Securities and Exchange Commission "SEC" settlement, but no other fine or other penalty. The Practice Unit remains fully licensed in the state where the Stipulation was issued and its right to practice accounting there was not restricted.
- One (1) matter pertaining to a licensed Practice Unit entered into a Stipulated Settlement and Disciplinary Order – The Stipulated Settlement and Disciplinary Order effective February 27, 2016, as a result of the PCAOB's Order Making Findings and Imposing Sanctions.
- One (1) matter from an applicant requesting approval to apply to sit for the Certified Public Accountant (CPA) examination, and subsequently, CPA Certification with a criminal charge on the applicant's record.
- One (1) matter of Practice Unit 2016 Renewal Application The Practice Unit's Peer Review was done for the year ended September 30, 2013, noted deficiencies and received a peer review rating of fail. 05/17/16, Page 3 of 4

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(14) Adjournment

All are welcome to any public meeting of the Rhode Island Board of Accountancy held at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact the DBR 462-9551, at (401) RI Relay 711, email at or at dbr.directoroffing@dbr.ri.gov at least three (3) business days prior to the meeting.

Posted on May 11, 2016 at Department of Business Regulation, State House Library, and electronically on Secretary of State's Office website. Pursuant to the Open Meetings Law, R.I. Gen. Laws Sec. 42-46-6(b). Business not included in this notice may be considered with consent of the majority of the members, and/or may convene into Executive (closed) Session pursuant to R.I. Gen. Laws Sec. 42-46-5.

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